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CHINA HONGBAO HOLDINGS LIMITED
中國紅包控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8316)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

CHARACTERISTICS OF GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Director(s)**”) of China Hongbao Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board (the "**Board**") of Directors hereby announces the consolidated results of the Group for the year ended 31 March 2026 together with comparative figures for the year ended 31 March 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2026

	Notes	**2026** **HK$'000**	2025 *HK$'000*
Revenue	*4*	**116,113**	80,854
Cost of services		**(97,024)**	(57,835)
Gross profit		**19,089**	23,019
Other income and gains	*5*	**29**	145
Gain on deconsolidation of subsidiaries	*13*	**17,675**	–
Impairment loss (recognised)/reversed on			
— trade receivables, net		**(5,752)**	(1,625)
— other receivables, net		**(652)**	(7)
— deposits		**58**	(53)
— contract assets		**(70)**	(531)
— property, plant and equipment		**–**	(1,694)
Administrative expenses		**(20,788)**	(27,421)
Finance costs	*6*	**(424)**	(1,222)
Profit/(loss) before income tax	*7*	**9,165**	(9,389)
Income tax expense	*8*	**(4,524)**	(358)
Profit/(loss) for the year		**4,641**	(9,747)
Other comprehensive expenses			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(19)**	(78)
Reclassification of exchange reserve upon deconsolidation of subsidiaries		**628**	–
Total comprehensive income/(expenses) for the year attributable to owners of the Company		**5,250**	(9,825)

		2026 ***HK cents***	2025 *HK cents*
Earnings/(loss) per share			
— Basic and diluted	*10*	**0.49**	(1.09)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current Assets			
Property, plant and equipment		**492**	1,327
Intangible asset		**103**	–
		595	1,327
Current Assets			
Trade and other receivables	*11*	**22,666**	11,211
Prepayments and deposits		**26,025**	9,538
Contract assets		**–**	2
Cash and cash equivalents		**11,836**	36,771
		60,527	57,522
Assets classified as held for sale		**–**	5
		60,527	57,527
Total Assets		**61,122**	58,854
Current Liabilities			
Trade and other payables	*12*	**17,272**	17,108
Contract liabilities		**31,902**	30,402
Income tax payable		**1,433**	204
Lease liabilities		**283**	1,686
Amount due to a director		**–**	1,184
Loan from a related party		**–**	14,375
Other borrowings		**–**	2,200
		50,890	67,159
Liabilities directly associated with assets classified as held for sale		**–**	7,027
		50,890	74,186
Net Current Assets/(Liabilities)		**9,637**	(16,659)
Total Assets less Current Liabilities		**10,232**	(15,332)

	2026	2025
	HK$'000	*HK$'000*
Non-current Liabilities		
Lease liabilities	**196**	–
NET ASSETS/(LIABILITIES)	**10,036**	(15,332)
Equity attributable to owners of the Company		
Share capital	**9,534**	9,534
Reserves	**502**	(24,866)
TOTAL EQUITY/(DEFICITS)	**10,036**	(15,332)

NOTES

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands. The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands, and the Company's head office and principal place of business is located at Room 1532, 15/F, Two Sky Parc, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong with effect from 11 February 2026. The Company is an investment holding company and its subsidiaries are principally engaged in the provision of internet services (including O2O e-commerce services and supply chain management) and foundation and other constructions business in Mainland China of the People's Republic of China (the "**PRC**") ("**Mainland China**") and Hong Kong.

In the opinion of the directors of the Company, the Company does not have an ultimate controlling party as at 31 March 2026.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures ("**MPMs**") in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and disclosures in future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

4. REVENUE AND SEGMENT INFORMATION

Operating segments

The executive directors have been identified as the chief operating decision-maker ("**CODM**") of the Group and are responsible for reviewing the Group's internal management reports, assessing operating performance and profitability, and making decisions on resource allocation. Internal reports are prepared and presented to the CODM on a segment basis, reflecting the distinct nature of the Group's revenue-generating activities and the way in which financial information is monitored.

For the year ended 31 March 2026, the CODM determined that the Group has three reportable operating segments (2025: three), namely:

1. **Internet services** — comprising provision of internet services (i) O2O e-commerce services and (ii) supply chain management services.

   (i) O2O e-commerce services:

   Provision of regional operation rights, merchant advertising, platform exposure and digital marketing services

   (ii) Supply chain management services:

   Provision of procurement, supplier management, order processing, fulfilment and after-sales co-ordination.

2. **Foundation and other construction works** — provision of foundation works and other construction-related services in Hong Kong.

3. **Supply and installation of new energy charging piles** *(operations discontinued upon deconsolidation)* — provision of new energy charging-pile installation services in the Mainland China.

These segments are consistent with the Group's internal reporting structure and reflect the different business models, customer bases, and risk profiles of the Group's operations.

The CODM evaluates segment performance primarily based on segment revenue and segment results before income tax, which represent the profit or loss generated from each segment's operations before unallocated corporate items. The CODM also reviews segment-specific information such as impairment losses and major operating expenses where relevant. Segment assets and liabilities include items directly attributable to each segment as well as those that can be allocated on a reasonable basis.

The segment information provided to the CODM for the reportable segments is as follows:

Segment results

	Internet services *HK$'000*	Foundation and other construction works *HK$'000*	Supply and installation of new energy charging piles *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Year ended 31 March 2026					
Disaggregated by timing of revenue recognition					
— At point in time	**8,957**	**–**	**–**	**–**	**8,957**
— Over time	**103,270**	**3,886**	**–**	**–**	**107,156**
Segment revenue	**112,227**	**3,886**	**–**	**–**	**116,113**
Segment profit/(loss) before income tax	**13,676**	**(2,931)**	**6,533**	**–**	**17,278**
Other income and gains				**–**	**–**
Depreciation of property, plant and equipment				**(1,418)**	**(1,418)**
Other expenses				**(6,695)**	**(6,695)**
Profit before income tax					**9,165**
Other information:					
Amortisation of intangible asset	**(3)**	**–**	**–**	**–**	**(3)**
Depreciation of property, plant and equipment	**(1)**	**–**	**–**	**(1,418)**	**(1,419)**
Interest income	**21**	**–**	**–**	**–**	**21**
Gain on deconsolidation of subsidiaries	**–**	**11,142**	**6,533**	**–**	**17,675**
Impairment loss recognised on					
— financial assets and contract assets	**(865)**	**(5,551)**	**–**	**–**	**(6,416)**
— property, plant and equipment	**–**	**–**	**–**	**–**	**–**

	Internet services HK$'000	Foundation and other construction works HK$'000	Supply and installation of new energy charging piles HK$'000	Unallocated HK$'000	Total HK$'000
Year ended 31 March 2025					
Disaggregated by timing of revenue recognition					
— At point in time	6,867	–	–	–	6,867
— Over time	27,819	46,168	–	–	73,987
Segment revenue	34,686	46,168	–	–	80,854
Segment profit/(loss) before income tax	8,949	(8,839)	(1,030)	–	(920)
Other income and gains				91	91
Depreciation of property, plant and equipment				(1,440)	(1,440)
Other expenses				(7,120)	(7,120)
Profit before income tax					9,389
Other information:					
Amortisation of intangible asset	–	–	–	–	–
Depreciation property, plant and equipment	(283)	(1,088)	–	(1,440)	(2,811)
Gain on early termination of lease contract	11	–	–	–	11
Interest income	9	–	–	–	9
Gain on deconsolidation of subsidiaries	–	–	–	–	–
Impairment loss recognised on					
— financial assets and contract assets	(69)	(2,147)	–	–	(2,216)
— property, plant and equipment	–	(1,694)	–	–	(1,694)

Revenue reported above represents revenue generated from external customers. These were no inter-segment sales for both of the years ended 31 March 2026 and 31 March 2025.

Revenue is disaggregated by timing of revenue recognition and presented together with segment revenue information, as this reflects the manner in which revenue information is reviewed by the CODM.

The other information set out above is included in the measure of segment profit/(loss) before income tax.

During the year ended 31 March 2026, the Group revised the presentation of segment information to align with the format of internal reports reviewed by the CODM. Comparative figures have been restated accordingly to conform with the current year's presentation.

Geographical information

The Group's revenue was principally derived from Mainland China and Hong Kong, based on the location of the customers.

	2026	2025
	HK$'000	*HK$'000*
Mainland China	**112,227**	34,686
Hong Kong	**3,886**	46,168
	116,113	80,854

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year is as follows:

	Attributable to reportable segment	**2026**	2025
		HK$'000	*HK$'000*
Customer A	Foundation and other construction works	**N/A#**	34,785
Customer B	Internet services	**N/A#**	9,225

Revenue from each of customer A and customer B for the year ended 31 March 2026 did not exceed 10% of the Group's total revenue for the year.

5. OTHER INCOME AND GAINS

	2026	2025
	HK$'000	*HK$'000*
Bank interest income	**21**	9
Gain on disposal of subsidiaries	**–**	91
Gain on early termination of lease contract	**–**	11
Others	**8**	34
	29	145

6. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on loan from other borrowings	**371**	3
Interest on lease liabilities	**53**	189
Imputed interest for former shareholder's loans	**–**	1,030
	424	1,222

7. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived after charging:

	2026	2025
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment:		
— Owned property, plant and equipment	**4**	644
— Right-of-use assets	**1,415**	2,167
	1,419	2,811
Amortisation of intangible asset	**3**	–
Auditor's remuneration — Audit services	**980**	900
Employee benefit expenses	**12,071**	14,739

8. INCOME TAX EXPENSE

The income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2026	2025
	HK$'000	*HK$'000*
Current tax		
— Hong Kong profits tax	**67**	–
— PRC enterprise income tax	**3,566**	358
Underprovision in prior years		
— PRC enterprise income tax	**891**	–
Income tax expense	**4,524**	358

Under the two-tiered Hong Kong profits tax regime, the first HK$2 million of assessable profits of qualifying corporation is taxed at 8.25% and assessable profits above HK$2 million are taxed at 16.5%. Group entities that do not qualify for the two-tiered regime continue to be taxed at 16.5%.

Provision for Hong Kong profits tax of approximately HK$67,000 was made for the year ended 31 March 2026. For the year ended 31 March 2025, no provision was made as the Group entities subject to Hong Kong profits tax either incurred tax losses or had tax losses brought forward to offset assessable profits for that year.

The basic tax rate of the Group's PRC subsidiaries is 25% under the PRC Enterprise Income Tax Law (the "**EIT Law**") and its implementation regulations. For the year ended 31 March 2025, certain subsidiaries of the Group qualified as small and micro enterprises and enjoy the reduction of the applicable tax rate to 10%.

9. DIVIDENDS

No dividend has been paid or declared by the Company during the years ended 31 March 2026 and 2025, nor has any dividend been proposed since the end of the reporting period (2025: Nil).

10. EARNING/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share attributable to owners of the Company is based on the following data:

	2026	2025
	HK$'000	*HK$'000*
Profit/(loss) for the purpose of calculating basic earnings/(loss) per share		
Profit/(loss) for the year attributable to owners of the Company	**4,641**	(9,747)
	Number of shares	Number of shares
	'000	*'000*
Number of shares for the purpose of calculating basic earnings/(loss) per share		
Weighted average number of ordinary shares	**953,376**	897,729

There were no potential ordinary shares in issue for the years ended 31 March 2026 and 2025. Accordingly, the diluted earnings/(loss) per share for each of the years presented is the same as the basic earnings/(loss) per share for the corresponding year.

11. TRADE AND OTHER RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables, gross	**5,056**	16,317
Less: provision of impairment	**(283)**	(6,170)
Trade receivables, net	**4,773**	10,147
Other receivables, gross	**18,553**	1,071
Less: provision of impairment	**(660)**	(7)
Other receivables, net	**17,893**	1,064
	22,666	11,211

Notes:

(a) The following is an analysis of trade receivables by age, net of loss allowance, presented based on the invoice dates:

	2026	2025
	HK$'000	*HK$'000*
Current or less than one month	**466**	4,477
One to three months	**767**	3,452
More than three months but less than one year	**3,540**	2,218
	4,773	10,147

The Group grants an average credit period from 0 to 30 days to its customers of internet services and contract works.

12. TRADE AND OTHER PAYABLES

	2026	2025
	HK$'000	*HK$'000*
Trade payables *(Note)*	**10,876**	6,950
Accrued charges	**1,815**	1,146
Receipt in advance	**3,963**	5,788
Other payable	**618**	3,224
	17,272	17,108

Note: An ageing analysis of trade payables as at the end of the reporting period, based on invoice dates, is as follows:

	2026	2025
	HK$'000	*HK$'000*
Current or less than one month	**421**	6,437
One to three months	**23**	29
More than three months but less than one year	**10,286**	23
More than one year	**146**	461
	10,876	6,950

The Group's trade payables are non-interest bearing and generally have payment terms of 0 to 45 days.

13. DECONSOLIDATION OF SUBSIDIARIES

Ambitious Achievement New Materials Holding Limited ("Ambitious Achievement") and Shaanxi Gaochuang Yuanwei Energy Limited* (陝西高創遠為能源有限公司) ("Gaochuang Yuanwei"), subsidiary of Ambitious Achievement (collectively "Ambitious Achievement Group")

A creditor, being the petitioner, filed a winding up petition (the "**Petition**") with the High Court of the Hong Kong Special Administrative Region (the "**Hong Kong High Court**") on 27 November 2025 against Ambitious Achievement, a former wholly owned subsidiary of the Company on the ground that Ambitious Achievement had failed to settle its debt.

On 11 February 2026, the Hong Kong High Court ordered Ambitious Achievement to be wound up and provisional liquidators were appointed on the same date. As a result, the directors of the Company considered that the Group lost control over Ambitious Achievement on 11 February 2026, and Ambitious Achievement Group was deconsolidated from the Group's consolidated financial statements as at that date.

The statement of profit and loss and other comprehensive income of Ambitious Achievement Group for the period from 1 April 2025 to 11 February 2026 is as follows:

	HK$'000
Revenue	1,325
Cost of services	(7,422)
Gross loss	(6,097)
Other income and gains	2
Impairment loss (recognised)/reversed on:	
— Trade receivables	(5,483)
— Deposits	2
— Contract assets	(70)
Administrative expenses	(2,462)
Finance costs	(372)
Loss before income tax	(14,480)
Income tax expense	–
Loss for the period	(14,480)

An analysis of the assets and liabilities of Ambitious Achievement Group over which control was lost is as follows:

	As at 11 February 2026
	HK$'000
Property, plant and equipment	–
Trade receivables, net	–
Contract assets, net	–
Cash and cash equivalents	123
Assets classified as held for sale	5
Total assets	128
Trade and other payables	7,882
Contract liabilities	1,006
Other borrowing	2,200
Lease liabilities	177
Liabilities directly associated with assets classified as held for sale	7,166
Total liabilities	18,431
Net liabilities	(18,303)

Gain arising from the deconsolidation of Ambitious Achievement Group is calculated as follows:

	HK$'000
Net liabilities deconsolidated	18,303
Release of exchange reserve	(628)
Gain on deconsolidation of subsidiaries	17,675

An analysis of the cash flows arising from the deconsolidation of Ambitious Achievement Group is as follows:

	HK$'000
Cash and cash equivalents of Ambitious Achievement Group deconsolidated	123
Cash outflow on deconsolidation of subsidiaries	123

14. EVENT AFTER THE REPORTING PERIOD

Since the granting of the winding-up order on 11 February 2026 and up to the date of this announcement, the Group has been cooperating with the provisional liquidators of Ambitious Achievement and has provided requested documents and information which are in its possession. As one of the creditors of Ambitious Achievement, the Group will attend creditors' meeting(s) when convened and will follow up on the debt adjudication process. As at the date of this announcement, the creditors' meeting has not yet been held and the Group is awaiting further updates from the provisional liquidators.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2026 which contains qualified audit opinion.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the section of "Basis for Qualified Opinion" of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion — Deconsolidation of a subsidiary

As referred to in Note 34 to the consolidated financial statements, Ambitious Achievement New Materials Holdings Limited ("**Ambitious Achievement**", together with its subsidiary "**Ambitious Achievement Group**"), a former subsidiary of the Company, was ordered to be wound up by the Hong Kong High Court and the provisional liquidators for Ambitious Achievement were appointed on 11 February 2026. The directors of the Company considered that the Group's control over Ambitious Achievement had been lost on 11 February 2026 (the "**Ambitious Achievement Deconsolidation Date**") and consequently, the consolidated assets, consolidated liabilities and consolidated results of Ambitious Achievement were deconsolidated from the Group's consolidated financial statements as from that date. The consolidated assets and consolidated liabilities of Ambitious Achievement as at the Ambitious Achievement Deconsolidation Date and Ambitious Achievement's consolidated income and consolidated expenses for the period from 1 April 2025 to the Ambitious Achievement Deconsolidation Date are disclosed in note 34 to the consolidated financial statements. The Group recognised a gain on deconsolidation of Ambitious Achievement of approximately HK$17,675,000 in profit or loss in respect of the year ended 31 March 2026, details of which are also set out in note 34 to the consolidated financial statements.

The accounting records of Ambitious Achievement were seized by the provisional liquidators of Ambitious Achievement, which were not made available to the Group's management subsequent to the Ambitious Achievement Deconsolidation Date. As a result, we were unable to obtain the accounting records of Ambitious Achievement or other appropriate audit evidence to assess (a) the existence, ownership, completeness, accuracy, valuation and classification of the consolidated assets and consolidated liabilities of Ambitious Achievement as at the Ambitious Achievement Deconsolidation Date; and (b) the completeness, accuracy and classification of the consolidated income and consolidated expenses of Ambitious Achievement for the period from 1 April 2025 to the Ambitious Achievement Deconsolidation Date. Consequently, we were unable to satisfy ourselves as to whether the gain on deconsolidation of Ambitious Achievement of approximately HK$17,675,000 are properly recognised in the Group's consolidated statement of profit or loss and other comprehensive income.

Any adjustments which might be found necessary to be made to the consolidated income and consolidated expenses of Ambitious Achievement for the period from 1 April 2025 to the Ambitious Achievement Deconsolidation Date and Ambitious Achievement's consolidated assets and consolidated liabilities as at the Ambitious Achievement Deconsolidation Date, as disclosed in note 34 to the consolidated financial statements, might have significant impacts on the income and expenses items of the Group for the year ended 31 March 2026 presented in the Group's consolidated statement of profit or loss and other comprehensive income and the related disclosure notes with a corresponding effect on the gain on deconsolidation of Ambitious Achievement, and the related disclosure thereof set out in note 34 to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Overview

The Group recorded total revenue of approximately HK$116.1 million for the year ended 31 March 2026 ("**FY2026**"), representing an increase of approximately HK$35.2 million, or 43.6%, as compared with approximately HK$80.9 million for the year ended 31 March 2025 ("**FY2025**"). The increase was primarily driven by the significant expansion of the internet services segment of the Group during FY2026.

Revenue from the internet services segment increased by approximately HK$77.5 million, or 223.6%, from approximately HK$34.7 million for FY2025 to approximately HK$112.2 million for FY2026, reflecting the Group's strengthened operational capabilities in O2O e-commerce services. The strong performance of this segment offset the decline in revenue from the construction segment, which was adversely affected by the cessation of operations of a subsidiary of the Company in Hong Kong, Ambitious Achievement, as detailed below.

As disclosed in the Company's announcements dated 3 September 2025, 24 October 2025, 6 November 2025, 10 December 2025, 7 January 2026, 30 January 2026, 11 February 2026 and 23 February 2026, Ambitious Achievement ceased operations following the loss of contact with its key management personnel and the incident of lost operational and accounting records. A winding-up order (the "**Winding-up Order**") was granted by the Hong Kong High Court on 11 February 2026, and provisional liquidators (the "**Provisional Liquidators**") were appointed accordingly on the same day. Assets and liabilities of Ambitious Achievement Group were deconsolidated from the Group's consolidated financial statements with effect from the Ambitious Achievement Deconsolidation Date.

Following the granting of the Winding-up Order, the Board carefully considered the legal and financial implications of the same. Having taken into account (i) the insolvency position of Ambitious Achievement; (ii) the substantial funding and resources that would have been required to restore it to solvency; and (iii) the time and costs associated with continued litigation, the Board resolved not to proceed with an appeal against the Winding-up Order. The Board considers this approach to be the most appropriate and beneficial course of action for the Company and its shareholders as a whole.

The Group is involved in the winding-up proceeding in two capacities: (i) Ambitious Achievement as the company in liquidation; and (ii) the Company as one of its creditors, having issued a statutory demand prior to the Winding-up Order. In these capacities, the Group has been cooperating fully with the Provisional Liquidators, including providing all available information and documents, and will attend creditors' meetings, submit proof of debt and follow up on the debt adjudication process with a view to safeguarding the Group's interests.

The liquidation of Ambitious Achievement has materially affected the Group's construction business. Revenue recognised in the Group's construction segment during FY2026 mainly related to (i) three incomplete projects of Ambitious Achievement carried forward from the prior year and (ii) a new project undertaken by another subsidiary of the Group. The Company considers that resuming the construction business in Hong Kong and rebuilding market presence within a short period would require significant time and resources. During FY2026, the Group completed one remaining construction project, and no new Hong Kong construction projects had been secured as at the date of this announcement. The Group will continue to identify and evaluate suitable business opportunities in the construction market in Hong Kong. Leveraging the Group's prior experience in the construction segment and existing network in the PRC, including the presence of Hainan Hongbao Linkage Technology Co. Ltd.* (海南紅包聯動科技有限公司), the Group established a renovation-related consultation service company in June 2026 to pursue opportunities in a more accessible market environment. Dedicated personnel will be engaged in the PRC to oversee this business line and support its development.

In addition, the Group did not generate revenue from the supply and installation of new energy charging piles during FY2026 (FY2025: Nil). This business was previously carried out through Gaochuang Yuanwei (subsidiary of Ambitious Achievement), which was deconsolidated on 11 February 2026 following the appointment of Provisional Liquidators. As a result of the deconsolidation and having considered the Group's existing resources and the prospect of this segment, the Group no longer carries out this business and does not intend to continue this segment.

Outlook

The Group will continue the development of its internet services segment, which has demonstrated strong growth momentum and became the Group's principal revenue contributor during FY2026. As platform usage and merchant participation increase, the Group expects to capture additional revenue opportunities from both O2O e-commerce services and supply chain management services.

Going forward, the Group will continue to monitor the Hong Kong construction market and assess whether further development would be commercially justified, taking into account factors such as technical resources, financial capacity and risk management. At the same time, the Group will continue to develop its PRC construction consultation business, with the aim of rebuilding the construction segment on a prudent and sustainable basis.

FINANCIAL REVIEW

Revenue

The Group's revenue for FY2026 amounted to approximately HK$116.1 million, representing an increase of approximately HK$35.2 million, or 43.6%, as compared with approximately HK$80.9 million for FY2025. The increase was mainly attributable to the substantial growth in the O2O e-commerce services under the internet services segment.

Revenue from the O2O e-commerce services increased by approximately HK$77.8 million, or 305.6%, from approximately HK$25.5 million in FY2025 to approximately HK$103.3 million in FY2026. The significant increase was primarily driven by enhanced platform functions and higher merchant participation arising from the promotion activities during FY2026.

Such increase was partially offset by (i) a slight decrease in revenue from supply chain management services of approximately HK$0.2 million, or 2.9%, from approximately HK$9.2 million in FY2025 to approximately HK$9.0 million in FY2026, mainly due to a modest decline in redemption activity by end-users; and (ii) a significant decrease in revenue from the construction segment of approximately HK$42.3 million, or 91.6%, from approximately HK$46.2 million in FY2025 to approximately HK$3.9 million in FY2026. The decline in the construction segment was primarily attributable to the liquidation of Ambitious Achievement and the fact that the replacement subsidiary's operations were still at an early stage and had not yet developed sufficiently to compensate for the loss of revenue within such a short period. Revenue for the construction segment was recognised only to the extent that consideration had been received or was considered probable of being received in accordance with HKFRS 15. As mentioned in the section headed "Management Discussion and Analysis — Outlook", the Group will continue to explore commercially viable opportunities to re-develop the construction segment.

Cost of services

The Group's cost of services increased from approximately HK$57.8 million for FY2025 to approximately HK$97.0 million for FY2026, representing an increase of approximately HK$39.2 million, or 67.8%. The increase was mainly attributable to the significant growth in the O2O e-commerce services under the internet services segment, which required additional resources for (i) system upgrade, (ii) merchant acquisition and (iii) digital marketing as the Group expanded the industry and geographical coverage of the Platform. These activities, including the engagement of (i) IT subcontractors for system upgrade, (ii) promotion partners for face-to-face merchant acquisition, and (iii) live-streaming promotion, resulted in higher associated costs of approximately HK$72.0 million.

Such increase was partially offset by (i) a slight decrease in cost for the supply chain management services by approximately HK$0.2 million, which was generally in line with the respective decrease in revenue of approximately HK$0.2 million; and (ii) a decrease in cost for the construction segment of approximately HK$32.6 million, or 77.3%. As Ambitious Achievement (which was a principal operating subsidiary for the construction segment) did not operate for the full year in FY2026, the level of construction activity and related costs were substantially lower compared with FY2025.

Gross profit and gross profit margin

The Group's overall gross profit margin decreased by approximately 12.1%, from 28.5% for FY2025 to 16.4% for FY2026. The decrease was mainly attributable to the gross loss of approximately HK$5.7 million recorded by the construction segment for FY2026, representing a gross loss ratio of approximately 146.3% (FY2025: gross profit of approximately HK$4.0 million and a gross profit margin of approximately 8.6%). The gross loss was primarily resulted from the operational disruption arising from the liquidation of Ambitious Achievement, which affected the Group's ability to carry out certain projects under normal commercial conditions. A small project undertaken by another subsidiary of the Group generated a modest profit during FY2026.

In addition, the internet services segment recorded a gross profit of approximately HK$24.8 million for FY2026 (FY2025: approximately HK$19.1 million). Its gross profit margin decreased from approximately 54.9% to approximately 22.1%, mainly due to the system upgrade and promotion costs incurred during FY2026.

Other income and gains

Other income and gains of the Group decreased by approximately HK$116,000 from approximately HK$145,000 for FY2025 to approximately HK$29,000 for FY2026. The decrease was mainly due to the fact that no gain on disposal of subsidiaries was recognised during FY2026 (FY2025: approximately HK$91,000).

Gain on deconsolidation of subsidiaries

The gain on deconsolidation of subsidiaries arose from the deconsolidation of Ambitious Achievement Group, which was in net liabilities position of approximately HK$18.3 million as at the Ambitious Achievement Deconsolidation Date. After releasing the exchange reserve of approximately HK$0.6 million, a gain of approximately HK$17.7 million was recognised during FY2026 (FY2025: nil). Please refer to note 13 to the consolidated financial statements for details.

Impairment loss on financial assets, contract assets and property, plant and equipment

During FY2026, the Group recognised net impairment loss on financial assets and contract assets of approximately HK$6.4 million in aggregate (FY2025: recognition of net impairment loss on financial assets, contract assets and property, plant and equipment of approximately HK$3.9 million in aggregate). Such increase was due to the higher impairment loss recognised on the Group's financial assets of approximately HK$4.7 million, mainly attributable to the expected credit loss recognised for Ambitious Achievement's financial assets. It was partially offset by a decrease in impairment loss recognised on the Group's contract assets and property, plant and equipment of approximately HK$2.2 million in aggregate, as those related assets had almost been fully impaired in FY2025.

Administrative expenses

The administrative expenses decreased by approximately HK$6.6 million, or 24.2%, from approximately HK$27.4 million for FY2025 to approximately HK$20.8 million for FY2026. The decrease was mainly attributable to reduction in legal and professional fees of approximately HK$1.3 million, as well as the absence of the approximately HK$6.0 million operating expenses relating to Ambitious Achievement recognised in FY2025.

Such decrease was partially offset by the write-off of contract assets and deposits relating to Ambitious Achievement, which amounted to approximately HK$0.4 million during FY2026 (FY2025: nil).

Finance costs

Finance costs decreased by approximately HK$0.8 million, or 65.3%, from approximately HK$1.2 million for FY2025 to approximately HK$0.4 million for FY2026. The decrease was mainly attributable to (i) the reduction in imputed interest of approximately HK$1.0 million arising from a loan from Mr. Xing Yuan, a former shareholder of the Company, which had been fully repaid previously; and (ii) a decrease in interest on lease liabilities of approximately HK$0.1 million owing to net decrease in the outstanding lease liabilities of approximately HK$1.2 million during FY2026.

Such decrease was partially offset by an increase in interest expense of approximately HK$0.3 million recognised for another borrowing owed by Ambitious Achievement during FY2026, which was deconsolidated from the Group's consolidated financial statements on the Ambitious Achievement Deconsolidation Date.

Profit/(loss) before income tax

The Group recorded profit before income tax of approximately HK$9.2 million for FY2026 (FY2025: loss before income tax of approximately HK$9.4 million). The change from loss to profit was mainly attributable to (i) the increase in gross profit from the internet services segment by approximately HK$5.7 million; (ii) the recognition of a gain on deconsolidation of the Ambitious Achievement Group of approximately HK$17.7 million; (iii) the decrease in administrative expenses by approximately HK$6.6 million; and (iv) the decrease in finance costs by approximately HK$0.8 million.

These were partially offset by the gross loss recorded by the construction segment of approximately HK$5.7 million (FY2025: gross profit of approximately HK$4.0 million), and higher impairment losses recognised of approximately HK$2.5 million.

Income tax expenses

The Group's income tax expense for FY2026 was approximately HK$4.5 million (FY2025: approximately HK$0.4 million). Such increase was mainly due to the higher taxable profit generated by the internet services segment during FY2026.

Profit/(loss) and total comprehensive income/(expense) for the year attributable to the owners of the Company

Profit and total comprehensive income attributable to owners of the Company for FY2026 amounted to approximately HK$5.3 million (FY2025: loss and total comprehensive expense of approximately HK$9.8 million). The change from net loss to net profit was mainly due to the factors described under the paragraph "Profit/(loss) before income tax", partially offset by the increase in income tax expense of approximately HK$4.1 million and reclassification of exchange reserve upon deconsolidation of subsidiaries of approximately HK$0.6 million during FY2026 (FY2025: nil).

Net assets/(liabilities) and deed of debt waiver

As disclosed in the Company's announcement dated 27 March 2026, Mr. Cheng Jun ("**Mr. Cheng**"), an executive Director and a shareholder of the Company, executed a deed of debt waiver pursuant to which he irrevocably and unconditionally waived debt in an aggregate amount of approximately HK$20.1 million owed to him by the Group. The waiver significantly improved the Group's financial position as at 31 March 2026.

The waived amount comprised (i) an amount due to Mr. Cheng of approximately HK$2.3 million and (ii) a loan of approximately HK$17.8 million that had been assigned to him on 27 March 2026. The assigned loan was originally owed to Mr. Fu Yik Lung ("**Mr. Fu**"), a former director of a former ultimate holding company of the Company. As at 31 March 2025, the loan from Mr. Fu had a carrying amount of approximately HK$14.4 million. During FY2026, the Group received additional cash advances of approximately HK$3.5 million from Mr. Fu and repaid approximately HK$0.1 million, resulting in an outstanding balance of approximately HK$17.8 million immediately before the assignment. On 27 March 2026, Mr. Fu assigned the entire loan to Mr. Cheng at consideration of approximately HK$17.8 million, after which Mr. Cheng waived both the assigned loan and the amount originally due to him.

The total waived amount of approximately HK$20.1 million was credited directly to reserve in accordance with HKFRSs. While the waiver did not affect the Group's consolidated profit or loss for FY2026, it materially strengthened the Group's financial position and contributed to the turnaround from net liabilities of approximately HK$15.3 million as at 31 March 2025 to net assets of approximately HK$10.0 million as at 31 March 2026.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The shares of the Company (the "**Shares**") were successfully listed on GEM on 10 August 2015 (the "**Listing Date**"). Save as disclosed in the section headed "Management Discussion and Analysis — Capital Structure" below, there has been no change in the capital structure of the Group since the Listing Date and up to the date of this announcement.

As at 31 March 2026, the Group had lease liabilities of approximately HK$0.5 million (2025: lease liabilities, amount due to a director, loan from a related party and other borrowings of approximately HK$19.4 million in aggregate). The scheduled repayment dates of the Group were as follows:

	2026 ***HK$'000***	2025 *HK$'000*
Within one year and on demand	**283**	19,445
Between one and two years	**196**	–
	479	19,445

As at 31 March 2026, the Group's lease liabilities were denominated in Hong Kong Dollars ("**HK$**") (2025: lease liabilities, amount due to a director, loan from a related party and other borrowings were denominated in HK$). As at 31 March 2026, the Group's borrowings primarily comprised finance lease liabilities discounted at a rate determined based on the Group's incremental borrowing rate (2025: finance lease liabilities discounted at a rate determined based on the Group's incremental borrowing rate; a borrowing of approximately HK$2.2 million which bore a fixed interest rate of 12% per annum; and the imputed interest of liabilities directly associated with assets classified as held for sale (previously a shareholder loan), which was calculated based on an interest rate of 8% per annum as estimated by the Directors). The Group considers its exposure to interest rate risk to be minimal due to the absence of floating-rate borrowings. The Group does not engage in foreign currency or interest rate hedging activities, and does not hedge foreign currency net investments. The management monitors foreign currency and interest rate exposure as part of its treasury function. In addition, the Group's borrowing requirements do not exhibit seasonality and are driven primarily by operational working capital needs rather than cyclical or seasonal factors.

The current ratio of the Group as at 31 March 2026 was approximately 1.19 times, as compared to that of approximately 0.78 times as at 31 March 2025.

	2026	2025
	HK$'000	*HK$'000*
Current assets	**60,527**	57,527
Current liabilities	**50,890**	74,186
Current ratio (times)	**1.19**	0.78

As at 31 March 2026, the Group had total cash and cash equivalents of approximately HK$11.8 million (2025: approximately HK$36.8 million) of which approximately HK$0.2 million (2025: approximately HK$2.7 million) and HK$11.6 million (2025: approximately HK$34.1 million) were denominated in HK$ and Renminbi ("**RMB**") respectively.

Gearing Ratio

The Group monitors capital using a gearing ratio, which is net debts/(cash) divided by total equity/(deficits). Net debts/(cash) are calculated as the total of lease liabilities, amount due to a director, loan from a related party and other borrowings, less cash and cash equivalents.

	2026	2025
	HK$'000	*HK$'000*
Total debts	**479**	19,445
Less: Cash and cash equivalents	**(11,836)**	(36,771)
Net cash	**(11,357)**	(17,326)
Total equity/(deficits)	**10,036**	(15,332)
Gearing ratio	**N/A#**	N/A#

The Group was in a net cash position as at both 31 March 2026 and 31 March 2025. Accordingly, the gearing ratio was not applicable for both years.

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. The Group's credit risk, which is primarily attributable to contract assets and trade receivables, is concentrated, since approximately 89.2% of such balances were derived from the five largest customers as at 31 March 2026 (2025: approximately 89.6%). As the customers of the Group are reputable corporations, the credit risk is considered to be low. The Group's major bank balances are deposited with banks with good reputation and hence the management does not expect any losses from non-performance by these banks. In relation to the management of liquidity risk, the Group's policy is to regularly monitor the liquidity requirements in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet the liquidity requirements in short and long term.

Capital Structure

The Shares were successfully listed on GEM on the Listing Date. The issued share capital of the Company (the "**Issued Share Capital**") only comprises ordinary shares.

The changes in the Issued Share Capital since the Listing Date and up to the date of this announcement were as follows:

	Number of Issued Share Capital
On the Listing Date	800,000,000
Completion of a subscription of new shares under general mandate on 16 January 2023 *(Note (a))*	28,050,000
As at 16 January 2023	828,050,000
Completion of a subscription of new shares under general mandate on 13 March 2023 *(Note (b))*	38,350,000
As at 13 March 2023	866,400,000
Completion of a subscription of new shares under general mandate on 31 July 2024 *(Note (c))*	41,666,000
As at 31 July 2024	908,066,000
Completion of a subscription of new shares under general mandate on 4 March 2025 *(Note (d))*	45,310,000
As at 4 March 2025, 31 March 2025, 31 March 2026 and up to the date of this announcement	953,376,000

Notes:

(a) Please refer to the announcements of the Company dated 5 January 2023 and 16 January 2023 for further details.

(b) Please refer to the announcements of the Company dated 27 February 2023 and 13 March 2023 for further details.

(c) Please refer to the announcements of the Company dated 24 April 2024 and 31 July 2024 for further details.

(d) Please refer to the announcements of the Company dated 15 January 2025 and 4 March 2025 for further details.

With effect from 17 July 2023, the board lot size of the Shares for trading on GEM was changed from 10,000 Shares to 2,000 Shares. Please refer to the announcements of the Company dated 26 June 2023 and 19 July 2023 for further details.

With effect from 30 July 2025, the authorised share capital of the Company increased by HK$20,000,000, from HK$10,000,000 divided into 1,000,000,000 Shares to HK$30,000,000 divided into 3,000,000,000 Shares. Please refer to the Company's circular dated 8 July 2025 and announcement dated 30 July 2025 for further details.

As at 1 April 2025 and 31 March 2026, the Issued Share Capital was approximately HK$9.5 million (representing 953,376,000 issued ordinary shares of HK$0.01 each).

DIVIDEND

The Board does not recommend the payment of dividend for FY2026 (FY2025: Nil).

CAPITAL COMMITMENTS

As at 31 March 2026, the Group did not have any significant capital commitments (2025: Nil).

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During FY2026, the Group did not hold any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2026.

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed in Note 4 to the consolidated financial statements.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2026, the Group employed a total of 29 staff (2025: 59 staff). The total employee remuneration, including remuneration of the Directors, for FY2026 amounted to approximately HK$12.1 million (FY2025: approximately HK$14.7 million).

The Group entered into separate labour contracts with each of the employees in accordance with the applicable labour laws in Hong Kong and the PRC. Employees are remunerated according to their performance and working experience. The Group provides its staff with various benefits including discretionary bonus, contributory provident fund and medical insurance. The Group also provides and sponsors various types of training to employees.

CHARGE ON GROUP ASSETS

As at 31 March 2026, the Group had no assets charged for bank borrowings or for other purposes.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2026, the Group did not have any concrete plan for material investments or capital assets.

FOREIGN CURRENCY EXPOSURE

For the Group's operation in Hong Kong, the major revenue and expenses are denominated in HK$. For the Group's operation in the PRC, the major revenue and expenses are denominated in RMB, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises. The Group does not hedge foreign currency net investments.

CONTINGENT LIABILITIES

Save as disclosed in the annual report, the Group did not have any significant contingent liabilities as at 31 March 2026 (2025: Nil).

EVENTS AFTER THE REPORT PERIOD

Save as disclosed in Note 14 to the consolidated financial statements, there is no other material subsequent event undertaken by the Company or by the Group after 31 March 2026 and up to the date of this announcement.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**"). The Company had also made specific enquiry with all the Directors and each of the Directors confirmed that he/she was in compliance with the Required Standard of Dealings throughout FY2026.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During FY2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

CORPORATE GOVERNANCE

During FY2026, to the best knowledge of the Board, the Company has applied the principles and complied with all applicable code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the GEM Listing Rules, except for the deviation from code provision D.2.2 set out in Part 2 of the CG Code which is explain below.

Pursuant to code provision D.2.2 of the CG Code, the company should have an internal audit function. For FY2026, the Group has yet to establish an internal audit function. Having reviewed the need for such a function, the Directors consider that, given the size, nature and complexity of the Group's operations, it is more cost-effective to engage external independent professionals to perform internal audit-related work. The audit committee of the Board (the "**Audit Committee**") and the Board have considered the internal control review report prepared by an independent consultancy and communications from the external auditor regarding any material control deficiencies identified during the financial statement audit. The Company considers that sufficient risk management and internal control of the Group can be maintained with the above arrangements. The Board will continue to review the need for an internal audit function annually.

AUDIT COMMITTEE

The Audit Committee was established on 6 July 2015. The chairman of the Audit Committee is Mr. Chow Chun To, an independent non-executive Director, and other members comprise Ms. Lau Wai Hing and Professor Cheung Ka Yue, both of whom are independent non-executive Directors. The Company has complied with Rule 5.28 of the GEM Listing Rules, with the Audit Committee comprising (i) non-executive directors only, (ii) a minimum of three members, (iii) at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise, (iv) a majority of independent non-executive directors, and (v) an independent non-executive director as the chairman. Written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code have been adopted.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, oversee the financial controls, internal control procedures and risk management system, effectiveness of the Company's internal audit function, audit plan and relationship with external auditors and review arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Group's consolidated financial statements for FY2026 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for FY2026 comply with applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made. Set out below are the views of the management and the Audit Committee on the audit qualification and plan to address the audit qualification:

View of the management on the qualified opinion

Having taken into account the circumstances at the material time and the applicable requirements under the HKFRSs in relation to the consolidated financial statements of the Group for FY2026, the Board considers that Ambitious Achievement Group shall be deconsolidated from the Group with effect from the Ambitious Achievement Deconsolidation Date (the "**Deconsolidation**"), on the basis that (i) the accounting records of Ambitious Achievement were seized by the Provisional Liquidators; and (ii) the Group's control over Ambitious Achievement Group had been lost since 11 February 2026. In the view of the Company, the judgement of Deconsolidation is justified and in accordance with the applicable HKFRSs. The management also understand that the qualified opinion arises from the auditor was unable to obtain sufficient appropriate audit evidence to satisfy themselves as to the gain on deconsolidation of subsidiaries, and are not aware of any differing views regarding this.

View of the Audit Committee on the qualified opinion

The Audit Committee has reviewed the details of the Deconsolidation, and understood the management's position and basis as set out in the section headed "View of the management on the qualified opinion" above. Having considered the circumstances and information at the material time, the Audit Committee agrees with the management's position and basis. The Audit Committee also had discussion with the auditor and understood the basis of the qualified opinion which arose from the Deconsolidation. The Audit Committee is also of the view that the management should continue its efforts in implementing the actions and measures set out in the action plan as detailed below with the intention of resolving the matter.

Action plan of the Company to address the qualified opinion

Following the Winding-up Order, the Board resolved not to appeal after considering the insolvency position of Ambitious Achievement, the substantial resources required to restore solvency and the time and costs of continued litigation. The Group has been cooperating with the Provisional Liquidators, including providing information and documents, attending creditors' meetings, submitting proof of debt and following up on the debt adjudication process to safeguard the Group's interests. Please refer to the section headed "Management Discussion and Analysis — Business Review and Outlook" for details.

Management, the Audit Committee and the auditor agree that the qualified opinion relates to the financial information of Ambitious Achievement up to the Ambitious Achievement Deconsolidation Date, including the resulting gain on deconsolidation recognised in profit or loss for FY2026. The qualification will only have a carryforward effect on the opening balances of accumulated losses for the year ending 31 March 2027.

SCOPE OF WORK OF CCTH CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2026 as set out in this announcement have been agreed by the Group's auditor, CCTH CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by CCTH CPA Limited on this announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for FY2026 containing all the information required under the GEM Listing Rules will be made available on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.hongbao8316.com and be despatched to the shareholders of the Company upon request, in due course.

APPRECIATION

The Company would like to thank the Group's customers, suppliers and business partners for their support. Also, the Company would like to offer its highest gratitude to its shareholders for their devotion and to the Group's employees for their loyalty and contributions made during the year.

* *For identification purpose only*

By order of the Board
China Hongbao Holdings Limited
Cheng Jun
Chairman and executive Director

Hong Kong, 26 June 2026

As at the date of this announcement, the Board comprises Mr. Cheng Jun and Mr. Yu Hua as executive Directors; and Mr. Chow Chun To, Professor Cheung Ka Yue and Ms. Lau Wai Hing as independent non-executive Directors.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and will be published on the Company's website at www.hongbao8316.com.